



wisconsin department of  
**children & families**

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**Division of Management Services  
Contract Approval Process Final Report**

**Project Name:** Contracts Approval Process

**Team Leader:** Steve Martinelli, Chief, Grants & Contracts Section  
Division of Management Services, Bureau of Finance

**Expected Completion Date:** October 5, 2012

**Project Goal:** To provide faster, more efficient customer service by streamlining DCF's contract approval process

**Issues to be addressed:**

- Eliminate waste and redundant activities
- Reduce errors
- Create robust standard work processes

**Team Members:**

Bureau of Finance (Grants & Contracts Section, Accounting Section and Auditing Section),  
Bureau of Budget and Policy, and program divisions

**Summary of Improvements**

The business flow was analyzed to provide a basis for value stream mapping. The project focus resolved several of the types of waste identified in the fundamentals of Lean: defect, transportation, waiting, motion and over processing. The following steps were identified for improvement:

1. **Allocation Assignment** – Embracing the Lean concept of perfect first-time quality, a new process was developed to define the steps required to determine the appropriate funding sources for contract allocations. The new process brought together the staff critical in making funding decisions, but also reduced the time required to determine allocation information by mandating a timeline sufficient to avoid errors, yet fast enough to permit timely contract issuance. Additionally, fewer staff are required to participate as the Contract Specialist is no longer necessary to the development process, but remains one of the recipients of the information required for contract development.

2. **Signatory Policy** – A policy was developed and implemented defining all types of contractual agreements and the persons required to sign each. The business flow was studied and redundant signatures were eliminated. Less critical agreements or those of little or no expense to the department now require fewer approvals than previously. A good example is a simple renewal of a pre-existing contract. The contract term and funding are typically defined in the solicitation and initial contract, so approval by the highest level of DCF management has already occurred before the renewal is necessary. As a result of removing redundant and unnecessary approval in the process, the number of required approvals of a renewal dropped from 9 to 4, resulting in faster processing and reduced staff effort.
  
3. **Electronic Signatures and Routing** – As a means of minimizing several types of waste, an electronic signature process was implemented. The previous method consisted of printing two paper copies of each contract, hand-carrying them from desk to desk for internal signatures, mailing the signed copies to the vendor, then waiting for them to return the DCF copies. Not only was this process very time-consuming, it also resulted in many lost contracts. If working copies of a contract were required, staff made hard copies. This was replaced by a web-based electronic signature process that routed documents through a pre-determined path of signers. After creating an online profile, signers easily “sign” contracts with a couple of clicks, and then receive a .pdf version of the completed contract. Other persons may also be sent electronic copies via email. The “official” contract exists electronically on a shared hard drive accessible by multiple staff, reducing the need for space-consuming paper files. An additional benefit realized is the reduction in copying and mailing costs. Rough estimates of the annual costs incurred by central and regional office staff was reduced by \$40,000 or more, including staff time required for copying and mailing.

These improvements are easily sustainable since they are simple to follow, and require less expense and effort than previous processes.

## Project Results

Goal	Measurement	Baseline	Target	Goal met?
Assigning appropriate levels of contractual signatory authority	Required number of DCF signers	8-12	4-9	Yes
Reducing time and expense required routing contract documents for signature and copying to appropriate recipients	Percentage of contracts signed and delivered within 3 weeks of routing	<10%*	>70%	Yes

\*Estimated from signature dates on county and tribal contracts, actual time unknown as no data was kept.